(b) if so, what is the rate of decline since January, 1980 to June, 1986;

(c) what are the main causes for such fast decline; and

(d) whether any remedial measures have been suggested/taken by Govrnment?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) The foreign exchange reserves (excluding Gold and Special Drawing Rights) which stood at Rs. 5395.02 crores at the end of December, 1979 increased to Rs. 7084.91 crores at the end of June, 1986.

(c) and (d) Do not arise.

News item captioned 'Banks give Rs. 18 crores without guarantee'

1979. SHRI CHIMANBHAI MEHTA:

SHRI SHANKER SINH VAGHELA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news-item captioned "Banks give Rs. 18 crores without guarantee" published in Patriot of the 22nd September, 1986; if so, what are the details thereof;

(b) whether it is a fact that various nationalised banks have advanced over Rs. 18 crores around 1979 to PT Five Star Industries Limited located in Bandung, Indonesia;

(c) what are the names of promoters of this Company; and

(d) what action is being taken by the Government in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (d) Government have seen the news-item referred to in the Question alleging lapses on the part of Indian banks in financing M/s. P. T. Five Star Industries Ltd., Indonesia, an Indian Joint-venture company, established in Indonesia.

A consortium of four Indian banks had financed from their overseas branches M/s. P. T. Five Star Industries Ltd., a Joint Venture Company set up at Bandung, Indonesia jointly by M/s. Bombay Dyeing and Manufacturing Company Ltd. Bombay, Commonwealth Textiles (Jakarta) Ltd. of Hongkong and P. T. Multinational Finance Corporation Ltd. of Indonesia. At the time of grant of the various facilities, the consortium of banks had obtained the usual securities in accordance with the normal practice. The question of obtaining personal guarantees from Indian promoters did not arise as under the Foreign Exchange Regulation Act, persons resident in India were not expected at that time to guarantee loan taken in foreign exchange by companies located abroad.

The Indian joint-venture company started incurring losses right from its inception due to a number of reasons such as delay in project implementation, marketing problems, demand recession, sharp increase in financial charges, slow realisation of receivables and devaluation of Indonesian Rupiah. According to Reserve Bank of India, though the Company is working to almost its full capacity and has started generating cash surpluses, the earnings are not adequate to service the debts and show profits. The performance of the unit is, however, being watched closely by the concerned banks.

Loans given to sick units/industries by the Indian Overseas Bank in Kerala

1980. SHRI K. GOPALAN:

SHRI V. GOPALSAMY:

Will the Minister of FINANCE be pleased to state:

(a) what is the amount of loans given to sick units/industries in

Kerala by the Indian Overseas Bank during the last three years, yearwise;

(b) what is the number of units/industries which have failed to repay the loans within the stipulated period and the amount outstanding against them as on date;

(c) what is the recovery rate and whether it is below the all-India average vis-a-vis other nationalised banks; and

(d) how many recovery suits have been filed by the Bank during the last three years, year-wise and the amount involved?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (d) Information to the extent available is being collected and will be laid on the Table of the House.

Reservation of handlooms in silk fabrics

1981. SHRI H. HANUMANTHAPPA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have any propoal to revise or modify the list of reservation made in favour of handlooms in silk fabrics; and

(b) if so, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR): (a) No, Sir.

(b) Does not arise.

Revamping of World Bank

1982. SHRIMATI RENUKA CHOWDHURY:
SHRI TALARI MANOHAR:

Will the Minister of FINANCE be pleased to state:

(a) whether World Bank is to be revamped in January, 1987 and if so, whether services of experienced former World Bank officials now serving in India will be offered to the Bank as reported in the Times of India dated 22nd October, 1986; and

(b) whether it is being ensured that interests of Indian nationals now serving with the World Bank are fully protected?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) Government is aware that the new President of the World Bank has initiated a review of the organisational structure of the Bank. The outcome of the review is not yet known. Indian nationals working in the World Bank are international civil servants and will be governed by the discipline and procedures of the IBRD.

News-item captioned 'Court orders sealing of ITDC Bank Accounts'

1983. SHRI SURAJ PRASAD: Will the Minister of TOURISM be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Court orders sealing of ITDC's bank accounts" which appeared in Patriot of 2nd October, 1986;

(b) if so, what are the details thereof;

(c) the total number of arbitration cases pending against ITDC as on 30th September, 1986; and

(d) whether any responsibility has been fixed on any of the ITDC officials for the losses suffered by the Corporation, and if so, what action has been taken against them?

THE MINISTER OF TOURISM (MUFTI MOHD. SAYEED): (a) to (d) ITDC has filed a special leave petition in the Supreme Court against the orders of the Division Bench of